



IT Project Delivery: Is it Really so Tough? Let's see the Data!



Common Perceptions

Everyone knows that delivering an Information Technology (IT) project is tough. In casual conversation, this perception is often expressed in statements such as:

"IT has a high failure rate"



"Software implementations almost never reach their 'Go Live' target on time"



"Stabilization is a euphemism for fixing all the mistakes that weren't resolved in implementation"



"Scope gaps and change orders are just a normal part of doing business"

But are these statements true? How tough is IT Project Delivery, really? [Let's see the data!](#)

Studies of IT Project Performance are Extremely Consistent

Many studies have measured IT Project Performance - Here are some results

CHAOS Report: The Standish Group has compiled IT projects for three decades and their recent data show:



46% of Projects are Challenged: complete & operational, but over-budget, over-schedule, and offer fewer features than specified.



26% of the Projects Fail: they are canceled or not used after implementation.



The Data Proves IT Projects are Very Tough. Should We Run Away in Terror?

We need to consider a different approach to delivering IT projects. After all, the definition of insanity is "doing the same thing over and over again and expecting different results."

Doomed From the Start? Based on feedback from 600 U.S. Business & IT Executives, Geneca found:

- ✓ 75% admitted their projects were either "always" or "usually" doomed right from the start
- ✓ 61% of the projects take longer than anticipated
- ✓ 57% are not considered a success
- ✓ 80% admitted they spend at least half their time on rework, which is the result of unclear objectives, confusion of roles and responsibilities, and lack of stakeholder involvement

Large IT Projects Cost Much More than Planned: McKinsey and University of Oxford studied 5400 IT projects



44% of projects deliver near the expected value



66% average cost increase and 33% average schedule overrun



The larger the IT project, the worse it performs

A Different Approach: Expertise-driven Project Delivery (XPD™)

XPD has been applied on 3,000+ projects worth over \$15B, including IT Projects ranging from \$100k to \$100M+ for both private and public entities. XPD results include tens of millions in project savings, reduction in delays, and reduced effort in delivery.



Simplar provides the hands-on implementation support, training, and all the tools, templates, and techniques needed to successfully buy and deliver your next IT project using XPD

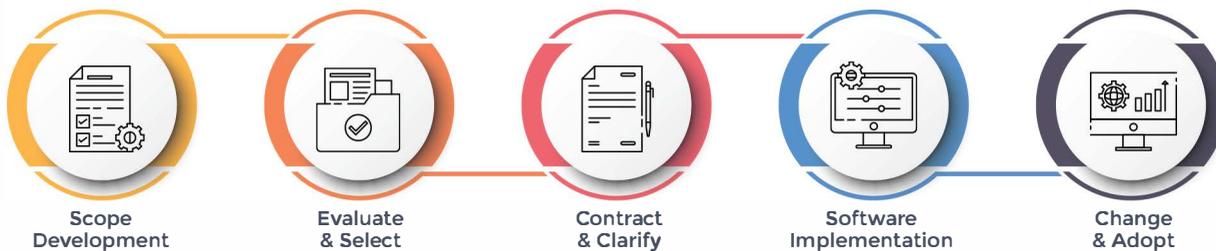


The Full Impact of Software Implementation: A Cradle-to-Grave View



Many organizations overlook the full impact of what is required to deliver a successful software implementation. There are several important phases of the Software Delivery Lifecycle - and all must be coordinated seamlessly.

The Software Delivery Lifecycle



Major Causes of Software Project Failure – Two Main Scenarios

Scenario #1 – Unsuccessful Implementations

- Ineffective Scope Development (does not match needs, contains significant gaps, and/or is overly prescriptive)
- Evaluation process is overwhelmed by marketing information (software does not live up to the fancy demo)
- Weak implementation plan (unclear milestones, poorly-defined resources, generic risk identification)
- Vendor's implementation is sub-par (claims of unforeseen complexities, poor control, dropped functionality)

Scenario #2 – Lack of Adoption & Resistance to Change

- Employees revert to old ways, use workarounds, or develop shadow systems (limiting benefits realization)
- Poor training means employees lack the skills to operate the software as intended (limiting usage)
- Ineffective communication leaves employees unaware (and unconvinced the software meets their needs)
- Unrealistic timeframe and resource allocation to adopt the change (resulting in resistance and opposition)

Why Do Organizations Struggle with Software Implementations?

- Overlooking the importance of any phase - or phases - in the Software Delivery Lifecycle (increased risk exposure)
- A breakdown within any individual phase (lacking best practices or internal expertise to maximize success)
- Bringing in external consultants who only support limited phases (or portions of a phase)
- Overreliance on external consultants with attractive logos (but actual team members may lack expertise)

The Simplar Difference – Ask the Experts!

Simplar brings a research-based and cradle-to-grave approach with proven results to:

- Enable an effective Scope Development process
- Deliver a Procurement process that eliminates marketing information to compete on expertise & innovation
- Facilitate an full Software Implementation planning phase with the vendor **before** contract award
- Apply a performance measurement system to create positive accountability throughout Software Implementation
- Enhance change adoption capabilities throughout the organization

Early Warning Signs of IT Project Failure: Have You Experienced Them?

An Independent Study



Research reviews of failed IT projects reveal that significant symptoms of trouble were clear and knowable early in the project



These symptoms can be thought of as Early Warning Signs (EWS) of IT Project Failure, which are defined as an event or indication that predicts, cautions, or alerts the project team of possible problems.



Researchers investigated the most important risks that serve as EWS of IT Project Failure

Reference: Kappelman, L.A., McKeeman, R., and Zhang, L. (2006). "Early Warning Signs of IT Project Failure: The Dominant Dozen" Information Systems Management, Volume 23, Issue 4, pg. 31-36.

Categories of IT Project Failure

The researchers started by compiling 50+ Early Warning Signs, which were grouped into three general categories:



People-Related Risks

Risks linked to groups of people, such as top management, project management, project team members, subject matter experts (SMEs), and stakeholders in general.



Process-Related Risks

Centered on five project management processes and their deliverables, including requirements, change control, scheduling, communications, and resources.



Product (Technology) Risks

Technical ailments of the IT system itself, including inherent product risks tied to size & scalability, complexity, functionality, and novel technology.

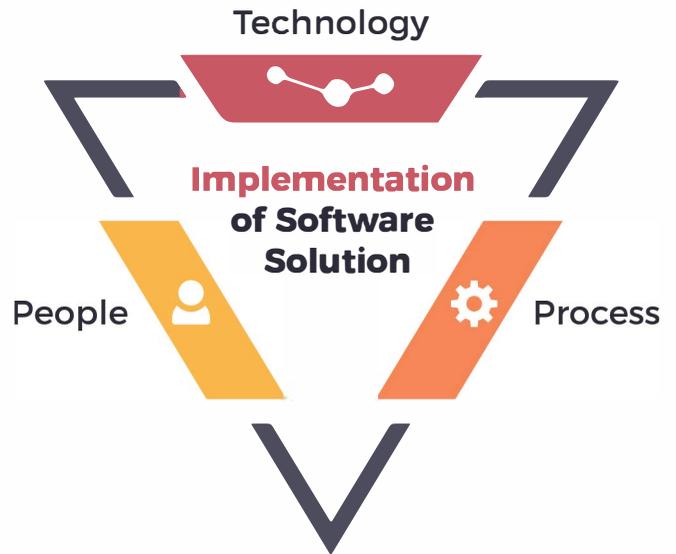
The Dominant Dozen

After gathering ratings from IT Project Professionals, the "Dominant Dozen" most important EWS were identified:

 People-Related Risks	 Process-Related Risks
Lack of top management support and commitment to the project, exposing the project to enterprise politics	Poor documentation of scope requirements and success criteria, leading to disorganization & misaligned goals
Weak project manager(s) unable to effectively lead the team and communicate with clients	Insufficient change control process to document, account for, and manage changes to requirements
Limited stakeholder involvement with requirements gathering & engagement during implementation	Ineffective schedule planning and management, often with unclear definition of milestones & deliverables
Weak commitment from the project team, often due to sponsors who impose unrealistic budgets and schedules	Communication breakdown among stakeholders with staff turnover and involvement of multiple business units
Project team members do not have required knowledge/skills to navigate technological challenges.	Project resources re-assigned to a higher priority project, yet "best-case" productivity may still be expected
Subject matter experts are over-scheduled from	Poor business case for the project, which manifests via

Important Take-Away: Both the People AND the Process are Essential to Success

-  The Dominant Dozen were ONLY related to People and Process – NOT the Technology itself.
-  For organizations who have experienced a software implementation that failed to live up to expectations, the instinct might be to blame the Technology.
-  Technology is not to blame, but poor performance is much more likely to be traced back to misaligned People operating in an ineffective Process.



Simplar's Expertise-Based Approach to IT Project

To achieve success, organizations must be confident in their People (project team resources and expertise) as well as their Process (approach, schedule, and execution methodologies).

Expertise-based Project Delivery (XPD):

✓ Solve People-Related Risks



Detailed scoping & requirements gathering templates to assist the project team capture the details.



Hyper-emphasis on evaluating the Software Vendor's actual implementation team individuals. Ultimately, the functionality of the software is directly related to the quality of implementation team who sets it up in your organization's environment.



Use of quantifiable past performance information on the Vendor's team and product prior to award.



Pre-Award Clarification process ensures the Vendor's best project team individuals are assigned – and retained – for the entire implementation phases (from sales to execution).

✓ Add Rigor to Mitigate Process-Related Risks



Training on scope development best practices coupled with a unique Request for Needs approach to ensure the Software Vendor Community can develop accurate proposals with minimal contingency.



RFP language & evaluation procedures to eliminating marketing information, including anonymous evaluations, two-envelope costing, and scripted software verifications rather than traditional demos.



Pre-Award Clarification process establishes a realistic schedule, defined milestones and deliverables, and more appropriately transfers risk to the vendor's team of experts.



Systematic project control system to create transparency and positive accountability.